

**THE WOODLANDS TOWNSHIP**

**Board of Directors Meeting**

**REGULAR BOARD MEETING**

**March 27, 2013**

**MINUTES**

**THE STATE OF TEXAS   §**

**COUNTIES OF HARRIS & MONTGOMERY   §**

The Board of Directors of The Woodlands Township met in regular session, open to the public, on March 27, 2013, posted to begin at 6:00 p.m. The meeting was held in the Board Chambers at the office of The Woodlands Township, 2801 Technology Forest Boulevard, The Woodlands, Texas, within the boundaries of The Woodlands Township.

**Chairman:**  
**Bruce Tough**

**President/General Manager:**  
**Don Norrell**

**Vice Chairman:**  
**Peggy Hausman**

**Staff/Advisors:**

**Alan Benson**  
**Kim Cogburn**  
**Karen Dempsey**  
**Taunya Jacques**  
**Miles McKinney**  
**John Powers**  
**Daniel Ringold**  
**Monique Sharp**  
**Bret Strong**  
**Susan Welbes**  
**Renee Williford**  
**Nick Wolda**

**Secretary:**  
**Ed Robb**

**Treasurer:**  
**Gordy Bunch**

**Directors:**  
**Mike Bass**  
**Nelda Luce Blair**  
**Jeff Long**

**1.     Pledge of Allegiance:**

Chairman Tough led the Pledge of Allegiance to the United States flag and Texas State flag.

**2.     Call meeting to order:**

Board of Directors  
Regular Board Meeting  
March 27, 2013

Chairman Tough called the meeting to order at 6:02 p.m. and declared that notice of this meeting was posted 72 hours in advance at the Courthouse of Montgomery County and Harris County and inside the boundaries of The Woodlands Township at the office building located at 2801 Technology Forest Boulevard, The Woodlands, Texas.

The roll was then called of the duly elected members of the Board with all members present. As there was a quorum of members present, the Board proceeded to conduct business regarding the following matters.

3. Receive, consider and act upon adoption of the meeting agenda;

Motion by: Director Blair moved to adopt the agenda as presented.

Second by: Vice Chairman Hausman

Motion passed unanimously (7-0).

Directors	YES	NO	ABSTAIN
Tough, Bruce (Chairman)	x		
Hausman, Peggy (Vice Chairman)	x		
Robb, Ed (Secretary)	x		
Bunch, Gordy (Treasurer)	x		
Bass, Mike (Director)	x		
Blair, Nelda Luce (Director)	x		
Long, Jeff (Director)	x		

4. Recognize public officials;

There were no public officials recognized at this time.

5. Public comment;

The following individuals addressed the Board:

- Jenny Wright-14 Whisper Lane; commented on The Woodlands Waterway Arts Festival scheduled for April 13-14, 2013;
- Lloyd Matthews-11 Redhaven Place; commented on the Community Flag Program;
- Willie Fowlkes-263 Tortoise Creek; gave an update on the 2013 The Woodlands Marathon;
- Julie Hill-107 Bitterwood Circle; commented on The Woodlands Marathon regarding road closures and the inconveniences associated with the closures;
- Walter Boyd-various comments
- Greg Minnery-34 Orchard Pines; commented that he supports races in The Woodlands

Board of Directors  
Regular Board Meeting  
March 27, 2013

6. Receive and consider reports from Village Association Representatives;

Reports were provided by the following Village Association (VA) representatives:

Cochran's Crossing VA-President Stuart Schroeder reported on the 2013-2014 VA officers; topic of discussion at recent meeting focused on the renovation of Shadowbend Park; Township Assistant Parks Director, Kelly Deitrich and park design consultants attended meeting; great resident turnout with good input regarding park amenities and concepts; park renovation online survey is still available; complaints/concerns from residents regarding excessive tree removal by Impact Church development and expansion; VA would like to see replanting of trees on a timely basis; received a law enforcement report; Annual Pool Social set for Sunday, June 9, 2013 at Bear Branch Pool from 3-6 p.m.; received 4<sup>th</sup> Place for The Woodlands Marathon Cheer Challenge/ thanked event coordinators and sponsors; volunteers participated at the Spring Flea Market; good turnout of volunteers for Woodlands GreenUp/thanked scouts for assistance; special thanks to Alden Bridge VA for hosting Cochran's Crossing VA residents at their March 12 meeting to allow feedback from residents regarding proposed Kroger Fuel Station; Good Neighbor Day on Saturday, March 30 at South Cochran's Green Circle at 10:30 a.m.; resident concern regarding misinformation received from an officer during Woodlands Marathon race on how to navigate around traffic congestion; suggested better training for law enforcement related to this incident;

Alden Bridge VA-Claude Hunter reported on the association's participation at the Spring Flea Market and Village Cheer Challenge events;

Creeside Park-President Nancy Decker Lent reported that the coordination between the village and The Woodlands Township is working very well; guest speaker at last meeting was Tim Welbes with The Woodlands Land Development Company; update on village center development/HEB opening mid 2014; next month's meeting April 2; guest speaker will be Nick Wolda, President of The Woodlands CVB; formed a steering committee to develop and implement scholarship guidelines; reported on volunteer participation at Spring Flea Market and Woodlands GreenUp; happy about increased police presence; received law enforcement report; CenterPoint Energy reps attending meetings, providing status reports, readily available to address resident concerns; safety concern-- need a traffic light at Timarron-should be coming soon; safety concern due to lack of a sidewalk on Creekside Forest Drive-working on solution; Annual Chili Cook-Off scheduled for Saturday, December 7, 2013 from 1-4 p.m.;

Note: Reports from Alden Bridge VA and Indian Spring VA were received at the Board's March 21, 2013 regular meeting.

7. REGULAR AGENDA:

8. Receive, consider and act upon the financial report;

Board of Directors  
Regular Board Meeting  
March 27, 2013

Monique Sharp, Assistant General Manager of Finance and Administration for The Woodlands Township, presented The Woodlands Financial Report. The Board was referred to handout material containing the General Purpose Statements for the two months ended February 28, 2013. After a review of the combined Financial Statements and Monthly Investment Report, a report on the General Fund vs. Actual was presented. Ms. Sharp then reported on sales tax collections, hotel occupancy tax collections, and property tax collections. Ms. Sharp informed the Board that the sales tax number was reported incorrectly but will be corrected.

Motion by: Treasurer Bunch moved to accept the Financial Report with a correction to be made to the sales

tax number.

Second by: Director Blair

Board discussion followed.

Motion passed unanimously (7-0).

Directors	YES	NO	ABSTAIN
Tough, Bruce (Chairman)	x		
Hausman, Peggy (Vice Chairman)	x		
Robb, Ed (Secretary)	x		
Bunch, Gordy (Treasurer)	x		
Bass, Mike (Director)	x		
Blair, Nelda Luce (Director)	x		
Long, Jeff (Director)	x		

The financial report is attached hereto as Exhibit "A."

9. Receive, consider and act upon Request for Qualifications (RFQ) for broker and consulting services for employee benefits;

Susan Welbes, Director of Human Resources for The Woodlands, presented this item. Ms. Welbes commented that the Board had requested that staff ask all the brokers that responded to the RFQ to submit a list of all the markets they represent. Ms. Welbes reviewed this information and informed the Board that Gallagher Benefits Services had provided the most appointments. Additionally, Ms. Welbes addressed postponement of selection of a broker/consultant to coincide with the renewal process for employee benefits and consideration of multiple brokers in conjunction with the selection of the Township's employee benefits.

Following Ms. Welbes' presentation, Jill Watson and Ryan Lane with Gallagher Benefits Services were called on to make a brief presentation. Mr. Lane addressed two concerns: the timing of selecting a consultant for the Township's plan and how Gallagher Benefits Services is compensated, specifically additional compensation.

Board discussion followed. Several questions were raised by Board members including the desire for additional information on a fee schedule and compensation plan. Treasurer Bunch inquired if there was an immediate urgency to make a decision on this item this evening as he wanted more information on fee schedules from all brokers that responded to the RFQ. Ms. Welbes provided clarification regarding this concern.

Chairman Tough then called on Don Norrell, President/General Manager for The Woodlands Township, to comment on this item. Mr. Norrell noted that the Township has had a long working relationship with Gallagher Benefits Services and that trust and credibility with Gallagher Benefits Services played a role in the decision making process.

Motion by: Director Bass moved to approve Gallagher Benefits Services and Gallagher Retirement Services for consulting and brokerage services for employee health and retirement benefits for three years commencing April 28, 2013 and continuing until April 28, 2016.

Second by: Secretary Robb

The Board again discussed whether or not there was an urgent need to make a decision on this item at this meeting. Treasurer Bunch requested that the Board not take action at this time and defer a decision until April so that the Board has an opportunity to review information on fee schedules from all responders to the RFQ.

Following the above discussion, Director Bass withdrew his motion and Secretary Robb withdrew his second. This item will be placed on the agenda for the April 18, 2013 regular Board meeting.

10. Recess the regular meeting of the Board of Directors;

Chairman Tough recessed the regular meeting of the Board of Directors at 7:05 p.m.

11. Convene and conduct a public hearing regarding a proposed amendment to Park Order 019-09 Concerning the Community Flag Program concerning the placement of American flags at Village Park entrances;

John Powers provided background information on this item. Mr. Powers informed the Board that Park Order 019-09, Section 1(b) would be deleted in its entirety and Section 1(d) would change to reflect two inspections per day instead of three inspections per day.

Chairman Tough then called for Public Comment. The following persons provided Public Comment regarding this item:

- Paul Lazzaro
- Claude Hunter
- Stuart Schroeder
- John Nanninga

12. Reconvene the regular meeting of the Board of Directors;

Board of Directors  
Regular Board Meeting  
March 27, 2013

Chairman Tough reconvened the regular meeting of the Board of Directors at 7:14 p.m.

13. Receive, consider and act upon adopting an amendment to Park Order 019-09 regarding the Community Flag Program concerning the placement of American flags at village park entrances;

Motion by: Vice Chairman Hausman moved to adopt an amendment to Order 019-09 to remove one inspection on days of display and to not require uniform display of flags at all Village Parks on days of display.

Second by: Director Blair

Board discussion followed. Director Bass commented that there should be better clarification on Section 1(d) regarding inspections. Director Blair suggested an idea for nonprofit organizations, such as high school bands, to consider flag displays in residents' yards, subject to DSC rules, as a means of raising money.

Motion passed unanimously (7-0).

Directors	YES	NO	ABSTAIN
Tough, Bruce (Chairman)	x		
Hausman, Peggy (Vice Chairman)	x		
Robb, Ed (Secretary)	x		
Bunch, Gordy (Treasurer)	x		
Bass, Mike (Director)	x		
Blair, Nelda Luce (Director)	x		
Long, Jeff (Director)	x		

14. Receive, consider and act upon approval of a Host Venue Agreement with World Triathlon Corporation regarding the proposed Iron Girl event;

John Powers informed the Board that World Triathlon Corporation had officially withdrawn their proposal to hold an Iron Girl event in The Woodlands.

15. Receive, consider and act upon a water management plan and a resolution supporting Woodlands Joint Powers Agency's conservation efforts;

John Powers used a PowerPoint presentation and discussed the following topics:

- Why water management and conservation are important
- Current water management and conservation measures implemented by the Township
- Potential future water management and conservation measures by the Township
- Support of WJPA's water conservation initiatives

Following Mr. Powers' presentation, Jim Stinson, General Manager for Woodlands Joint Powers Agency (WJPA), was called on to answer questions from Board members. Following Mr. Stinson's

Board of Directors  
Regular Board Meeting  
March 27, 2013

discussion, Director Long commented on ways to conserve water by using plants that require no water or minimal water. Director Bass proposed that staff come back with a plan focused on the following three items that the Board could address during the budget process:

- Expansion of the Maxicom System over a period of 3-4 years
- Water tank/ well flushing
- Education

Vice Chairman Hausman asked Mr. Stinson what was needed from the Township to assist the WJPA. Mr. Stinson commented that his goal was to develop and continue a relationship with the Township staff in order to come up with objectives and initiatives. Vice Chairman Hausman suggested that Mr. Stinson bring back a proposal to the Board regarding things the Township can assist the WJPA with.

**Motion by:** Director Bass moved to adopt the Resolution of Support; continue to advance the existing water management and conservation programs in place; consider adopting policies, plan and budgets regarding enhanced water management and conservation. Director Bass also incorporated into the motion his proposal to have staff come back with a plan focused on the expansion of the Maxicom System, water tank/well flushing and education.

**Second by:** Director Long

Chairman Tough then called for a vote on the above motion.

Motion passed unanimously (7-0).

Directors	YES	NO	ABSTAIN
Tough, Bruce (Chairman)	x		
Hausman, Peggy (Vice Chairman)	x		
Robb, Ed (Secretary)	x		
Bunch, Gordy (Treasurer)	x		
Bass, Mike (Director)	x		
Blair, Nelda Luce (Director)	x		
Long, Jeff (Director)	x		

A Resolution Supporting Woodlands Joint Powers Agency's Conservation Efforts is attached hereto as Exhibit "B."

**16. Receive, consider and act upon a Resolution Adopting Policies and Guidelines for The Woodlands Township Operating Reserve;**

Monique Sharp presented a brief history on this item and then called on Drew Masterson, the Township's financial consultant, to provide an analysis on what the impact would be if the Township made changes to its current operating reserve policy in regards to credit rating. Mr. Masterson stated that there would not be a change in the quantitative rating should the Township change its criteria measures and that there would be a large amount of room to work with should the Township change its criteria measures.

Board of Directors  
Regular Board Meeting  
March 27, 2013

Don Norrell requested that Mr. Masterson speak about the balances used to fund capital or reduce debt. Mr. Masterson commented that he would advocate establishing a range in the operating reserve policy.

Motion by: Vice Chairman Hausman moved to table this item and bring it back during the budget or after the budget for further discussion.

Second by: Director Blair

Motion passed unanimously (7-0).

Directors	YES	NO	ABSTAIN
Tough, Bruce (Chairman)	x		
Hausman, Peggy (Vice Chairman)	x		
Robb, Ed (Secretary)	x		
Bunch, Gordy (Treasurer)	x		
Bass, Mike (Director)	x		
Blair, Nelda Luce (Director)	x		
Long, Jeff (Director)	x		

17. Receive, consider and act upon a Resolution Adopting Policies and Guidelines for The Woodlands Township Capital Asset Reserve;

Monique Sharp used a PowerPoint presentation to discuss this item. Ms. Sharp stressed to the Board that the capital reserve is a funding mechanism that is used to pay for replacement of Township assets.

Ms. Sharp then discussed the current method of funding capital and a proposed method of funding capital. With the proposed method of funding capital, the Board would determine annually an amount of money that would be transferred from the general fund into the capital reserve account. This money would then be transferred from the capital reserve account into a capital projects fund that would then be used to pay for assets.

Ms. Sharp also reviewed three different options for funding the capital reserve. Staff recommended Option 3 with an annual reserve contribution equal to the funding provided in the Township's current five-year plan, but provided that seventy-five percent of favorable budget to actual variances will be transferred to the capital reserve account to fund additional requirements up to a maximum annual capital reserve contribution of \$5.25 million.

It was the decision of the Board to not take action on this item at this time. This item will be brought back for discussion during the budget process.

CLOSED MEETING (if applicable):

Board of Directors  
Regular Board Meeting  
March 27, 2013



18. Recess to Executive Session to discuss matters relating to real property pursuant to §551.072, Texas Government Code; deliberation of economic development negotiations pursuant to §551.087, Texas Government Code; discuss personnel matters pursuant to §551.074, Texas Government Code; and to consult with The Woodlands Township's attorney pursuant to §551.071, Texas Government Code;

Chairman Tough informed the Board that there was no need for Executive Session.

19. Reconvene in Public Session;

Not applicable.

DISCUSS FUTURE AGENDA / ANNOUNCEMENTS:

20. Consideration of items to be placed on the agenda for next month's meeting;

- Secretary Robb requested that the Board discuss what, if any, restrictions are in place regarding tear downs on properties—for a future agenda.
- Treasurer Bunch requested information on pending legislation that might impact special districts.
- Director Bass requested that the CVB and Township staff work with the County to come up with procedures and policies for hosting community events.

22. Board announcements;

- Secretary Robb commended Monique Sharp and John Powers for the thorough reports that they provided to the Board.

23. Adjournment.

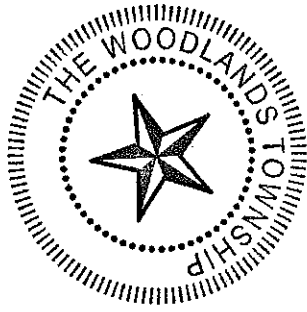
Motion by: Vice Chairman Hausman moved to adjourn the meeting at 8:45 p.m.

Second by: Director Hausman

Motion passed unanimously (7-0).

Directors	YES	NO	ABSTAIN
Tough, Bruce (Chairman)	x		
Hausman, Peggy (Vice Chairman)	x		
Robb, Ed (Secretary)	x		
Bunch, Gordy (Treasurer)	x		
Bass, Mike (Directors)	x		
Blair, Nelda Luce (Directors)	x		
Long, Jeff (Directors)	x		

Board of Directors  
Regular Board Meeting  
March 27, 2013



A handwritten signature in black ink, appearing to read "Ed Robb", is written over a horizontal line.

Ed Robb  
Secretary, Board of Directors

**EXHIBIT OMISSIONS\***

**EXHIBIT "A"**

**EXHIBIT "B"**

**\*To view Exhibits, please contact the Records Department at 281-210-3974.**